

Scancell Holdings plc

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

Scancell Holdings plc

COMPANY INFORMATION

DIRECTORS

Professor L Durrant
Mr N J F Evans
Dr M G W Frohn
Dr R M Goodfellow
Mr T M Rippon
Mr D E Evans
Ms K Cornish-Bowden

SECRETARY

Mr N J F Evans

REGISTERED OFFICE

2 More London Riverside
London
SE1 2AP

REGISTERED NUMBER

06564638(England and Wales)

AUDITOR

Champion Accountants LLP
2nd Floor
Refuge House
33-37 Watergate Row
Chester
CH1 2LE

Scancell Holdings plc

CHAIRMAN'S STATEMENT

I am pleased to report on the company's results for the year ended 30th April 2012.

Steady progress has been made with Scancell's vaccine, SCIB1; recruitment to Phase 1 of the clinical trial was completed in April 2012 and Phase 2 is on schedule to be completed by the end of 2013 assuming recruitment continues at the current pace with 9 of the planned 13 patients recruited since May 2012 and additional patients being screened.

On 15 August, 2012 Scancell announced the development of a new platform technology, Moditope™, that stimulates the production of killer CD4 T cells with powerful anti-tumour activity. The Directors believe that this new discovery could have a profound effect on the way that cancer vaccines are developed.

During the financial year Scancell raised £1.58 million, net of expenses, by way of a placing of new shares. In addition the Company received revenues of £2.85 million (before deduction of any related tax or other costs) in respect of the second tranche payment from the sale of Scancell's antibody portfolio to Arana Therapeutics in 2006.

The ImmunoBody® Technology Platform

Scancell's mission is to develop medications that fight cancer by spurring the body's immune system. This is a form of treatment that many cancer specialists believe may hold the key to keeping a patient permanently disease-free. Unlike traditional therapies that attack a cancer directly, immunotherapy uses the body's own internal defences to ward off the disease, with the ultimate hope of building up long term resistance to the cancer.

Scancell's ImmunoBody® vaccines generate potent killer T-cells that target and eliminate tumours. Each ImmunoBody® vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches.

The manipulation and enhancement of human immune systems is also relevant to the treatment of other diseases such as chronic infectious disease. Although Scancell does not intend to venture outside the oncology arena itself, the Company intends to license ImmunoBody® to companies working in other therapeutic areas.

SCIB1 melanoma vaccine

Scancell is conducting clinical trials of SCIB1, its DNA ImmunoBody® vaccine being developed for the treatment of melanoma.

The clinical trial of SCIB1 is being conducted at five leading UK hospital centres in Nottingham, Manchester, Newcastle, Leeds and Southampton.

Phase 1 Clinical Trial

The Phase 1 Clinical Trial commenced in June 2010 and is designed to evaluate the safety and tolerability of SCIB1 (Scancell's DNA Immunobody® vaccine being developed for the treatment of melanoma) in patients with late stage melanoma and also to gather data on the effects of SCIB1 on tumour growth and cellular immune response.

In April 2012 Scancell completed the recruitment to the Phase 1 clinical trial of SCIB1. The Company expects to be able to announce preliminary results from Phase 1 before the end of the calendar year.

Scancell Holdings plc

CHAIRMAN'S STATEMENT

Phase 2 Clinical Trial

Scancell obtained approval from the Cohort Review Committee to commence the Phase 2 study using the 4mg dose, the highest dose used in the Phase 1 part of the study. The approval is based upon safety data collected after all patients have been treated for 6 weeks. Recruitment and treatment of the first patient in the second part of its Phase 1/2 clinical trial of SCIB1 commenced in May 2012. The Phase 2 part of the trial is being conducted in the five UK hospital centres in thirteen patients with Stage III/IV disease to further assess the safety of treatment and to assess the cellular immune response induced by SCIB1. Patients will be treated with a 4mg dose of SCIB1 on five occasions over a period of 6 months. The study is recruiting well with 9 patients entered and additional patients being screened. The study is on schedule to be completed by the end of 2013.

In June 2012 the Gene Therapy Advisory Committee ('GTAC') and the Medicines and Healthcare products Regulatory Agency ('MHRA') Medicines Division gave their approval to increase the maximum treatment period from 6 months up to a further 5 years in its Phase 1/2 clinical trial of SCIB1. The continuation option will be available for patients with stable disease. Approval was also granted to further broaden the study inclusion criteria. In addition, Scancell's partner, Ichor Medical Systems ('Ichor'), has obtained the required parallel approval from the MHRA Devices Division for the use of Ichor's TriGrid™ electroporation delivery device to administer SCIB1 for this extended period. This approval from GTAC and MHRA provides Scancell with the opportunity to continue dosing patients whose disease has not progressed whilst receiving the SCIB1 vaccine and will allow the gathering of longer term data on late stage melanoma patients for whom the prognosis is poor.

Patents Awarded

In a further important step in the development and commercialisation of SCIB1, Scancell has been granted a composition of matter patent in Europe for SCIB1. This patent will protect the unique composition of the vaccine until March 2028. The Company has also had its protein ImmunoBody® vaccine patent approved in the United States. These patents will further strengthen Scancell's IP position around its proprietary ImmunoBody® vaccine platform

SCIB2

On 30th June 2011 Scancell announced that a treatment utilising a DNA vaccine based on its Immunobody® technology, in combination with Homspera®, an adjuvant developed by ImmuneRegen Biosciences Inc, had produced encouraging anti-tumour responses in animal models.

This vaccine, known as SCIB2, stimulates immune responses to the lung cancer antigen NY-ESO-1 and may also have potential utility in oesophageal, liver, gastric, prostate, ovarian and bladder cancers.

Further progress on SCIB2 has now been made. A modified version of the SCIB2 vaccine has now been developed which induces both a powerful immune response and anti-tumour effects without Homspera® confirming that SCIB2 has the potential to be used, like SCIB1, without the need for an adjuvant.

SCIB2 is now ready for further development. Given the limited resources currently available to the Company, the Directors expect that this work will be undertaken by a licensing partner. The SCIB2 data provides further evidence that the Immunobody® vaccine platform has the ability to augment the immune responses necessary to destroy cancer.

The Moditope™ Technology Platform

On 15 August 2012, the Company announced the development of a new platform technology, Moditope™, that stimulates the production of killer CD4 T cells with powerful anti-tumour activity. CD4 responses to cancer associated antigens have been notoriously difficult to generate whether presented as peptides, proteins or DNA. CD4 cells are vital for effective anti-tumour immunity. Scancell has identified and patented a series of modified

Scancell Holdings plc

CHAIRMAN'S STATEMENT

epitopes that overcome this limitation. Scancell's Moditope™ technology produces killer CD4 T cells that destroy tumours without toxicity. The Directors believe that this new discovery could have a profound effect on the way that cancer vaccines are developed.

Financial

Profit and Loss

As a result of the net income of £2,487,122 from the sale of the antibody portfolio the Group made a profit for the year of £557,058 (2011: loss of £1,649,225).

The increase in development costs in the year reflects the additional patient recruitment in the clinical trials and completion of milestones resulting in payments being made to the Clinical Research Organisation which runs the trials.

The reduction in administrative expenses is largely as a result of the non-recurring professional expenses incurred in the prior year as the Group moved from PLUS to AIM.

Balance Sheet

At the end of the year the Group cash balances amounted to £3,529,007 (2011: £1,110,630). The increased cash arose as a result of the placing of shares of £1.58m and the profit for the year of £557,058.

The Group's net assets at 30th April 2012 amounted to £6,971,337(2011: £4,635,742).

Subdivision of share capital and placing

On 25th July 2011 the shareholders of the Company approved resolutions for:

- The proposed subdivision of each Existing Ordinary Share of 1p into 10 new Ordinary Shares of 0.1p each; and
- A placing to raise £1.73 million, before costs, by means of the issue of 34,575,410 new Ordinary Shares at 5 pence per share to fund the working capital of the Company.

Following the approval of these resolutions the Company raised £1.58 million, net of costs

Board of Directors

Dr Richard Goodfellow was appointed Joint Chief Executive Officer on 30 June 2011 as the Board recognised that Dr Goodfellow's position had evolved into a separate leadership role from that held by Professor Lindy Durrant, including management of Scancell's commercial activities, investor and City liaison.

On 18 August 2011, Scancell announced the appointment of Kate Cornish-Bowden as a non-executive director. Kate is a Chartered Financial Analyst and has extensive experience of corporate governance as an institutional investor. She is currently a non-executive director of Investec Structured Products Calculus VCT plc. I am confident that she will make an invaluable contribution to the Scancell Board going forward.

Arana Therapeutics

On 1 December 2006, Scancell sold its portfolio of antibodies to Arana Therapeutics (then known as Peptech (UK) Limited and subsequently acquired by Cephalon, Inc, which itself is now owned by Teva Pharmaceutical Industries Limited). The consideration for the sale was a cash payment of £2 million, which was paid on completion of the sale, plus a possible further sum of £2.85 million gross which was payable when a milestone was achieved relating to the development of a drug derived from any of the antibodies which were the subject of

Scancell Holdings plc

CHAIRMAN'S STATEMENT

the sale. On 16 November 2011, Scancell received payment of the further payment of £2.85 million from Cephalon Inc which, after the payment of bonuses and advisor costs, netted to £2.49 million.


Outlook

The broad utility and potential of the ImmunoBody® platform continues to be supported by new research. This was exemplified in June 2011 by the discovery of a new candidate vaccine (SCIB2) which has potential for the treatment of lung and other epithelial cancers. The Board is confident that the research undertaken by Professor Durrant and her team will lead to the discovery of further vaccine candidates for other indications. Any such discoveries will provide further confirmation that the ImmunoBody® platform can deliver multiple product candidates and underpin the value of the business as a product plus platform proposition.

Phase 2 of the clinical trials for SCIB1 in melanoma commenced in May 2012 and is on schedule to be completed by the end of 2013. The Directors believe that a successful outcome, if achieved, would confirm the potential of SCIB1 as an exciting new cancer treatment as well as validating the Immunobody® platform technology, thereby presenting Scancell as an attractive acquisition opportunity.

The discovery of the highly innovative Moditope™ platform opens up a new approach to the development of cancer vaccines. Whilst currently at an early stage, we are aware that the opportunities could be considerable in addition to Scancell's existing platform technology. As a result, the Board is actively evaluating its strategic options for this new technology platform and will be consulting with key shareholders in this regard. We are excited by the potential and are resolute in our aim of creating the greatest value for shareholders. The Board will update the market in due course.

The Board is pleased with the Company's progress over the period, and would like to thank all those involved with Scancell for their dedication and support.



David Evans
Chairman

Scancell Holdings plc

DIRECTORS' REPORT

The directors submit their report and financial statements of Scancell Holdings plc for the year ended 30 April 2012.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of the discovery and development of novel vaccines for the treatment of cancer.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

A detailed review is included in the Chairman's statement on page 2

Key performance indicators:

Due to the nature of the business, the key performance indicator used by the Company is the monitoring of income and expenditure against approved budgets.

RESULTS AND DIVIDENDS

The company's results for the year ended 30 April 2012 are shown in the consolidated income statement on page 11. No dividends will be distributed for the year.

DIRECTORS AND THEIR INTERESTS

The present members of the Board, who have served throughout the financial year are detailed below. Their interests in the shares of the Group at 30th April 2012 and 2011 are set out below

	30 th April 2012		30 th April 2011	
	Issued	Jointly owned	Issued	Jointly owned
Prof L G Durrant	1,606,960	8,873,960	160,696	887,396
Mr N J F Evans	3,100,000	1,600,000	310,000	160,000
Dr M G W Frohn	Nil	Nil	Nil	Nil
Dr R M Goodfellow	200,000	6,443,840	20,000	644,384
Mr T M Rippon	2,504,160	Nil	250,416	Nil
Mr D E Evans	5,100,000	Nil	510,000	Nil
Ms K Cornish-Bowden (appointed 18 August 2011)	-	-	-	-

Dr M G W Frohn is a director of Oxford Technology Management Limited which manages funds which between them hold 12,759,220 shares (2011: 1,275,922)

Scancell Holdings plc

DIRECTORS' REPORT

The Chairman of the Company, Mr D E Evans has been granted 3,040,000 options in Scancell Holdings plc exercisable at 6 pence per share. These options vest and become capable of exercise on the sale of shares in the company according to the following schedule:

Net exit value of sale	Number of shares over which option granted
Between £5m and £15m	760,000
Between £15m and £25m	1,520,000
Over £25m	3,040,000

Professor Lindy Durrant and Dr Richard Goodfellow have been granted 3,850,000 and 2,880,000 options, respectively in Scancell Holdings plc, exercisable at 4.5 pence per share. These options vest and become capable of exercise on the sale of the company for a value in excess of £25m.

SUBSTANTIAL SHAREHOLDINGS

The directors have been notified, or are aware of, the following interests in 3% or more of the ordinary share capital of the company (excluding directors) at 9th October, 2012

	Ordinary shares at 1p each	
	Number	Percentage
HSBC Global Custody Nominee (UK) Limited	21,111,110	10.86%
Hygea VCT PLC	14,839,730	7.63%
Newedge Group SA	9,725,000	5.00%
Laytons Trustee Company and L Durrant	8,873,960	4.56%
J G Helfenstein	8,854,000	4.55%
Oxford Technology VCT PLC	8,333,300	4.29%
Laytons Trustee Company and RM Goodfellow	6,443,840	3.31%
Barclayshare Nominees Limited	6,385,873	3.28%

STRUCTURE OF THE COMPANY'S CAPITAL

The Company's share capital is traded on the AIM market and comprises a single class of ordinary shares of 0.1 pence each, each carrying one voting right and all ranking equally with each other. At 30 April 2012 194,469,485 shares were allotted and fully paid. Details of movements in the Company's share capital during the period are shown in Note 15 to the financial statements. Details of employee share option schemes are set out in Note 17 to the financial statements. Participants in employee share schemes have no voting or other rights in respect of the shares subject to their awards until the options are exercised, at which time the shares rank *pari passu* in all respects with shares already in issue.

CREDITORS' PAYMENT POLICY

It is the group's policy to establish payment terms with suppliers and to adhere to those terms, provided that the goods and services are in accordance with the agreed terms and conditions.

At 30 April 2012 the group average trade creditor was 33 days (2011: 23days).

DIRECTORS' INDEMNITY

The Directors and officers of the Company are insured against any claims arising against them for any wrongful act in their capacity as a Director, officer or employee of the Company, subject to the terms and conditions of the policy.

Scancell Holdings plc

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Directors acknowledge the importance of the principles set out in the Combined Code issued by the Committee on Corporate Governance (the "Combined Code"). Although the Combined Code is not compulsory for AIM quoted companies, the Directors have applied the principles as far as practicable and appropriate for a relatively small public company as follows:

Your Board comprises a non-executive Chairman, two executive directors and three further non executive directors. Your Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. In addition the executive Directors meet on a monthly basis for operational meetings. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the executive Directors' service contracts, Directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings on a three-year cycle, as required by the Articles of Association and any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The Directors have established Audit and Remuneration Committees.. All non- executive directors are members of the Audit and Remuneration Committees.

The Audit Committee has Nigel Evans as Chairman, and has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit committee meets at least twice a year.

The Remuneration Committee has Matthew Frohn as Chairman, and will review the performance of the executive directors and determine their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of Shareholders. The Remuneration Committee meets no less than once every year.

PRINCIPAL RISKS

The Board meets regularly to review the operations of the business and discuss risk areas.

A system of internal controls has been established and the Board ensures that management keeps these processes under regular review and improves them where appropriate. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

Given the nature of the business there is a technical risk that the underlying scientific assumptions and hypotheses that underpin both SCIB1 and Immunobody are unable to be validated in human clinical trials. In order to mitigate this risk the Group employs external independent consultants to review these underlying assumptions and the results from clinical trials. The Board reviews these reports together with internal documentation on a regular basis and where necessary will amend or adjust the Group's strategy.

There is also a funding risk, whereby the Group may not have sufficient funds to complete the clinical trials. The Board reviews the time-lines for completing projects in conjunction with cashflow projections to ensure that the Group will have necessary cash resources available.

Scancell Holdings plc

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under that law the directors are required to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and have also prepared the company financial statements in accordance with International Financial Reporting Standards ("IFRS").

The group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The company financial statements are required by law to give a true and fair view of the state of affairs of the company.

In the company financial statements, the directors are required to:

- a select suitable accounting policies and then apply them consistently;
- b make judgements and estimates that are reasonable and prudent;
- c for the company financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU;
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

The auditors Champion Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By approval of the Board on 11th October, 2012



David Evans
Chairman

Independent Auditor's Report to the Shareholders of Scancell Holdings PLC

We have audited the financial statements of Scancell Holdings PLC for the year ended 30 April 2012 which comprise the Consolidated Income Statement, the Consolidated and Parents Company Statements of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2012, and of the group's and the parent company's profit for the year ended;
- the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Hopwood BSc(Hons) FCA
Senior Statutory Auditor, for and on behalf of
Champion Accountants LLP
Statutory Auditor
2nd Floor, Refuge House
33-37 Watergate Row,
Chester CH1 2LE

Champion Accountants LLP

11 October 2012

Scancell Holdings plc
CONSOLIDATED INCOME STATEMENT
for the year ended 30 April 2012

	<i>Notes</i>	2012 £	2011 £ (restated)
Continuing operations			
Development expenses		(1,221,339)	(848,629)
Administrative expenses		<u>(740,132)</u>	<u>(885,120)</u>
OPERATING LOSS		(1,961,471)	(1,733,749)
Interest receivable and similar income		<u>31,407</u>	<u>9,613</u>
LOSS BEFORE TAXATION		(1,930,064)	(1,724,136)
Taxation	5	<u>-</u>	<u>(74,911)</u>
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(1,930,064)	(1,649,225)
Discontinued operations			
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	3	<u>2,487,122</u>	<u>-</u>
PROFIT/(LOSS) FOR THE YEAR	16	<u>557,058</u>	<u>(1,649,225)</u>
EARNINGS PER ORDINARY SHARE (pence)			
<i>Continuing and discontinued operations</i>			
Basic		0.30p	(10.4)p
Diluted		<u>0.27p</u>	<u>(10.4)p</u>
<i>Continuing operations only</i>			
Basic		(1.04)p	(10.4)p
Diluted		<u>(1.04)p</u>	<u>(10.4)p</u>
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 30th APRIL 2012			
Profit/(Loss) for the year		<u>557,058</u>	<u>(1,649,225)</u>

Scancell Holdings plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30th April 2012

	Attributable to equity holders of the Group				Total Equity £
	Share capital £	Share Premium Account £	Share Option Reserve £	Retained earnings £	
At 1 st May 2010	158,733	8,321,808	-	(2,432,664)	6,047,877
Change in accounting policy adjustment	-	-	90,197	(90,197)	-
Restated balances	158,733	8,321,808	90,197	(2,522,861)	6,047,877
(Loss) for the year				(1,649,225)	(1,649,225)
Share issue	785	47,215			48,000
Share option costs			189,090	-	189,090
At 30 th April 2011 (restated)	<u>159,518</u>	<u>8,369,023</u>	<u>279,287</u>	<u>(4,172,086)</u>	<u>4,635,742</u>
At 1 st May 2011 (restated)	159,518	8,369,023	279,287	(4,172,086)	4,635,742
Profit for the year				557,058	557,058
Share issue	34,952	1,535,710			1,570,662
Share option costs			207,875		207,875
At 30 th April 2012	<u>194,470</u>	<u>9,904,733</u>	<u>487,162</u>	<u>(3,615,028)</u>	<u>6,971,337</u>


Scancell Holdings plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2012

	<i>Notes</i>	2012 £	2011 £
ASSETS			
<u>Non-current assets</u>			
Plant and machinery	10	106,267	98,933
Goodwill	11	3,415,120	3,415,120
		<u>3,521,387</u>	<u>3,514,053</u>
<u>Current assets</u>			
Trade and other receivables	13	131,106	58,626
Tax receivables		74,220	74,220
Cash and cash equivalents		3,529,007	1,110,630
		<u>3,734,333</u>	<u>1,243,476</u>
TOTAL ASSETS		<u>7,255,720</u>	<u>4,757,529</u>
LIABILITIES			
<u>Current Liabilities</u>			
Trade and other payables	14	(284,383)	(121,787)
TOTAL LIABILITIES		<u>(284,383)</u>	<u>(121,787)</u>
NET ASSETS		<u>6,971,337</u>	<u>4,635,742</u>
SHAREHOLDERS' EQUITY			
Called up share capital	15	194,470	159,518
Share premium	16	9,904,733	8,369,023
Share option reserve	16	487,162	279,287
Profit and loss account	16	(3,615,028)	(4,172,086)
TOTAL SHAREHOLDERS' EQUITY		<u>6,971,337</u>	<u>4,635,742</u>

These financial statements were approved by the directors and authorised for issue on 11th October, 2012 and are signed on their behalf by:



David Evans
Director

Scancell Holdings plc
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 April 2012

	<i>Notes</i>	2012 £	2011 £
Operating activities			
Cash generated from operations	20	859,620	(1,842,221)
Income taxes received		<u>-</u>	<u>65,510</u>
Net cash from operating activities		<u>859,620</u>	<u>(1,776,711)</u>
Investing activities			
Asset acquisition		(43,312)	(419)
Finance income		<u>31,407</u>	<u>9,613</u>
Net cash used by investing activities		<u>(11,905)</u>	<u>9,194</u>
Financing activities			
Proceeds from issue of share capital		1,752,771	48,000
Expenses of share issue		<u>(182,109)</u>	<u>-</u>
Net cash generated from financing activities		<u>1,570,662</u>	<u>48,000</u>
Net increase in cash and cash equivalents		2,418,377	(1,719,517)
Cash and cash equivalents at beginning of the year		<u>1,110,630</u>	<u>2,830,145</u>
Cash and cash equivalents at end of the year		<u><u>3,529,007</u></u>	<u><u>1,110,630</u></u>

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 April 2012

1 BASIS OF PREPARATION

These financial statements were approved by the board of directors on 11th October, 2012.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

New standards and interpretation

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- Amendments to IFRS7 Financial Instruments: Disclosures
- Amendments to IAS12 Income taxes
- Amendment to IAS 19 Employee benefits
- Amendment to IAS 1 Financial statement presentation
- IFRS 9 Financial statement presentation
- IFRS 10 Consolidated financial statements

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group when the relevant standards and interpretations come into effect.

Key sources of estimation and uncertainty

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as intangible assets. Although these estimates are based upon management's best knowledge of the amount event or actions, actual results may ultimately differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Identification and valuation of intangible assets on acquisition

The directors use their judgement to identify the separate intangible assets and then determine a fair value for each based upon the consideration paid, the nature of the asset, industry statistics, future potential and other relevant factors. These fair values will be reviewed for indications of impairment annually.

Segmental analysis

The Group's principal activity consists of the discovery and development of novel monoclonal antibodies and vaccines for the treatment of cancer. The directors believe that these activities comprise one operational segment and consequently segmental analysis by business segment is not considered necessary.

Share-based payments

In calculating the fair value of equity-settled share-based payments using the Black-Scholes option pricing model, the directors are required to exercise their judgement in determining input parameters which may have a material effect on the fair value calculated.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

BUSINESS COMBINATIONS

The financial statements incorporate the financial statements of the Company and its subsidiary. Unrealised gains on transactions between the Group and its subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group since date of transition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any costs related to the acquisition are expensed in the period in which they are incurred.

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 April 2012

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of assets and liabilities is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the income statement.

Subsidiary:

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly (but normally through voting rights granted through the Company's shareholdings), to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements.

Acquisitions:

On acquisition, the assets and liabilities of a subsidiary, including identifiable intangible assets, are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed for impairment annually and any impairment is recognised immediately in the income statement. Impairment is determined by comparing the recoverable amount of goodwill with its carrying value. For goodwill, the carrying value is compared to the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the income statement to its recoverable amount.

The Directors have carried out an impairment review of goodwill carried forward at the balance sheet date and do not believe that an adjustment for impairment is necessary.

The results and cash flows relating to the business are included in the consolidated accounts from the date of combination.

REVENUE

Revenue is measured at the fair value of the consideration received or receivable and net of discounts and sales related taxes.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on reducing balance
Computer Equipment	- 33% on reducing balance

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is immediately recognised as an expense, in the Income Statement. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the income statement to its recoverable amount less costs to sell.

TAXATION

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if amortisation of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 April 2012

profit and loss. Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxation profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary differences can be utilised.

Deferred tax is provided on temporary differences arising in the subsidiary company except where the timing of reversal of the temporary differences will not reverse in the foreseeable future. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Measurement of deferred tax liabilities and assets reflects the tax consequences expected to fall from the manner in which the asset or liability is recovered or settled.

INVESTMENTS

Investments in subsidiaries are stated at cost less any provisions for impairment. An impairment is recognised when the recoverable amount of the investment is less than the carrying amount.

RESEARCH AND DEVELOPMENT

Expenditure on research and development is written off in the year in which it is incurred.

An internally generated asset arising from the group's development activities is only recognised if all of the following criteria are met:

- technical feasibility of completing the intangible asset so that it will be available for sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- the intangible asset will generate future economic benefit
- resources are available both technically and financially in order to complete the development.

In the case of development projects undertaken by the group, regulatory and other uncertainties generally mean that such criteria are not met. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

FOREIGN CURRENCIES

Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

CASH

Cash includes cash-in-hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within current liabilities on the balance sheet.

EQUITY

Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the income statement.

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

- Share-based payment reserve is the corresponding entry to the expense arising from equity-settled share-based payments.

SHARE BASED PAYMENTS

In accordance with IFRS2 – ‘Share based payments’, a charge is made for all share –based payments including share options based upon the fair value of the instrument issued.

Under IFRS 2 the charge in the Profit and Loss Account for granted share options is based upon the fair value of the options at grant date and is charged over the expected vesting period. Estimates of leaver rates are taken into account over the vesting period. A charge has been recognised for all awards granted and is charged to the same expense category as the remuneration costs for the employee to whom the share award has been made. An equivalent amount is credited to the share option reserve in the balance sheet, with no resulting impact on net assets.

SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments.

The directors consider that the group operated within a single business segment.

2 CHANGE IN ACCOUNTING POLICY

In accordance with IFRS 2, share-based payments, a charge has been recognised in the profit and loss account for all share options granted and an equivalent amount had been credited to the profit and loss reserve. The accounting policy has now been changed, in accordance with IFRS2, so that a separate share option reserve has been created and the charge is now credited to the share option reserve in the balance sheet. There is no impact on the net assets as previously disclosed. The share options have been granted to directors and employees in the subsidiary company, Scancell Limited. Within Scancell Holdings plc, the parent company, a credit has been made to the share option reserve whilst the debit is treated as an increase in the value of the subsidiary company..

3 DISCONTINUED OPERATIONS

Under an agreement dated 1st December 2006 the company sold its pre-clinical pipeline of cell killing monoclonal antibodies to Peptech(UK) Limited (now Cephalon Inc) for an initial consideration of £2,000,000 with a further amount of £2,850,000 payable if certain performance criteria are achieved.

These performance criteria were met during the year and the results of the discontinued activities are set out below.

	2012 £	2011 £
<i>Profit for the year from discontinued activities:</i>		
Revenues	2,850,000	-
Cost of sales	<u>362,878</u>	-
Profit before tax	2,487,122	-
Attributable income tax expense	-	-
Profit for the year from discontinued operations	<u>2,487,122</u>	-
<i>Cashflows form discontinued activities:</i>		
Net cash inflows from operating activities	2,850,000	-
Net cash outflows from operating activities	<u>362,878</u>	-
Net cash inflows from operating activities	<u>2,487,122</u>	-

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 April 2012

4 OPERATING LOSS

	2012	2011
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation on tangible fixed assets	35,978	33,250
Operating lease rentals	14,056	14,056
Research and development	1,221,339	848,629
Auditors' remuneration – fee payable for audit of the company	6,250	6,000
Auditors' remuneration – fee payable for audit of the subsidiary company	6,250	6,000
Auditors' remuneration for non-audit services	2,850	-
Directors' remuneration	<u>50,950</u>	<u>37,012</u>

5 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2012	2011
	£	£
Current tax	-	-
UK corporation tax credits due on R&D expenditure	-	(74,220)
Adjustment to prior year	-	(691)
	<u>-</u>	<u>(74,911)</u>

Factors affecting the tax charge

The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2012	2011
	£	£
Profit/(Loss) on ordinary activities before tax	<u>557,058</u>	<u>(1,724,136)</u>
Profit/(Loss) on ordinary activities multiplied by the standard rate of tax in the UK (20%)	111,412	(362,069)
Effects of:		
Disallowed expenditure	42,217	79,408
Timing differences	(21,706)	2,983
Enhanced tax relief on R&D expenditure	(159,642)	(56,726)
Reduced tax relief for losses surrendered for R&D tax credits	-	37,110
Prior period refund	-	(691)
Unrelieved losses carried forward	27,719	225,074
Current tax charge/(credit)	<u>-</u>	<u>(74,911)</u>

The Group has tax losses to carry forward against future profits of approximately £5,585,000 (2011: £5,100,000)

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at a standard rate of 20% is £1,090,000 (2011: £1,071,000)

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 April 2012

6 EARNINGS PER SHARE

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	2012	2011
	£	£
Earnings used in the calculation of basic earnings per share	557,058	(1,649,225)
Profit for the year from discontinued operations included in the calculation of basic earnings per share	<u>(2,487,122)</u>	-
Earnings used in calculation of basic earnings per share from continuing operations	<u>(1,930,064)</u>	<u>(1,649,225)</u>
Weighted average number of ordinary shares of 0.1p (2011) 1p each for the calculation of basic earnings per share	<u>186,184,758</u>	<u>15,932,565</u>

Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows:

	2012	2011
	£	£
Earnings used in the calculation of basic earnings per share	557,058	(1,649,225)
Profit for the year from discontinued operations included in the calculation of basic earnings per share	<u>(2,487,122)</u>	-
Earnings used in calculation of diluted earnings per share from continuing operations	<u>(1,930,064)</u>	<u>(1,649,225)</u>

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows.

Weighted average number of ordinary shares of 0.1p (2011) 1p each for the calculation of basic earnings per share	186,184,758	15,932,565
Shares deemed to be issued for no consideration in respect of share options	<u>18,374,520</u>	<u>1,837,452</u>
Weighted average number of ordinary shares of 0.1p (2011) 1p each for the calculation of diluted earnings per share	<u>204,559,278</u>	<u>17,770,017</u>

As the Group is reporting a loss from continuing operations for both years then, in accordance with IAS33, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

7 STAFF COSTS

	2012	2011
	£	£
Directors' salaries	15,000	15,000
Wages and salaries	197,459	196,247
Social security costs	21,372	20,799
	<u>233,831</u>	<u>232,046</u>
	2012	2011
	No.	No.
The average monthly number of persons during the year was:		
Research employees	5	5
Other employees	1	1
	<u>6</u>	<u>6</u>

A charge for share based payments totalling £140,176 (2011: £100,821) was made in the year.

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

8 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Professor L Durrant received salary of £5,000 (2011: £5,000); Dr RM Goodfellow received salary of £5,000 (2011: £5,000) and Mr N J Evans received salary of £5,000 (2011: £5,000). Details of consulting services provided by these directors are disclosed in note 19. In addition a charge for share based payments totalling £137,583 (2011:£96,636) was made in the year.

9 LOSS OF PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

The parent company's loss for the financial year was £146,124 (2011: restated loss £293,918)

10 TANGIBLE FIXED ASSETS

GROUP <i>current year</i>	Computer Equipment £	Plant and machinery £	Total £
COST			
As at 1 May 2011	16,483	333,095	349,578
Additions	-	43,312	43,312
As at 30 April 2012	<u>16,483</u>	<u>376,407</u>	<u>392,890</u>
DEPRECIATION			
As at 1 May 2011	14,771	235,874	250,645
Charge for the year	565	35,413	35,978
As at 30 April 2012	<u>15,336</u>	<u>271,287</u>	<u>286,623</u>
NET BOOK VALUE			
At 30 April 2012	<u>1,147</u>	<u>105,120</u>	<u>106,267</u>
At 1 May 2011	<u>1,712</u>	<u>97,221</u>	<u>98,933</u>
GROUP <i>prior year</i>	Computer Equipment £	Plant and machinery £	Total £
COST			
As at 1 May 2010	16,064	333,095	349,159
Additions	419	-	419
As at 30 April 2011	<u>16,483</u>	<u>333,095</u>	<u>349,578</u>
DEPRECIATION			
As at 1 May 2010	13,928	203,467	217,395
Charge for the year	843	32,407	33,250
As at 30 April 2011	<u>14,771</u>	<u>235,874</u>	<u>250,645</u>
NET BOOK VALUE			
At 30 April 2011	<u>1,712</u>	<u>97,221</u>	<u>98,933</u>
At 1 May 2010	<u>2,136</u>	<u>129,628</u>	<u>131,764</u>

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

11 GOODWILL

	£
At 1 st May 2010 and 2011	3,415,120
Additions	<u>-</u>
At 30 th April 2012 and 2011	<u>3,415,120</u>

Goodwill is allocated to cash generating units ('CGU') and in the opinion of the directors the Group consists of a single CGU. The goodwill arose on the acquisition of the wholly owned subsidiary company, Scancell Limited. The directors have carried out an impairment review of the goodwill arising on the acquisition of Scancell Limited. The Group has no budgeted revenues for the foreseeable future and so the directors have compared the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end with the carrying value of goodwill and believe that no impairment is necessary.

12 FIXED ASSET INVESTMENTS

COMPANY - shares in group undertaking	£
Cost at 1st May 2011 (previously reported)	4,561,829
Change in accounting policy (note 2)	<u>90,197</u>
Restated cost at 1 st May, 2010	4,652,026
Share options granted	<u>189,090</u>
Restated cost at 30 April 2011	4,841,116
Share options granted	<u>207,875</u>
Cost at 30 April 2012	<u>5,048,991</u>

The company's investment at the balance sheet date represents 100% of the ordinary share capital of its subsidiary company, Scancell Limited whose business is the discovery and development of treatments for cancer.

At 30th April 2012 the aggregate capital and reserves of Scancell Limited was £(1,239,292) (2011: £(2,150,349)) and its profit for the financial year was £703,182 (2010: Loss of £1,355,307)

13 TRADE AND OTHER RECEIVABLES

	2012	2011
	£	£
VAT	50,447	11,906
Prepayments	80,659	46,720
	<u>131,106</u>	<u>58,626</u>

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 April 2012

14 TRADE AND OTHER PAYABLES

	2012	2011
	£	£
Trade creditors	216,666	80,844
Other creditors	67,717	40,943
	<u>284,383</u>	<u>121,787</u>

15 SHARE CAPITAL

	2012	2011
	No.	No.
Allotted, issued and fully paid 0.1p (2011: 1p)ordinary shares	<u>194,469,485</u>	<u>15,951,790</u>
	£	£
Allotted, issued and fully paid 1p ordinary shares	<u>194,470</u>	<u>159,518</u>

On 25th July 2011, an ordinary resolution was passed in a General Meeting to sub divide the 1p ordinary shares into 0.1p ordinary shares by the issue of 9 additional shares for every 1p share held.

At the same date a further 34,575,410 ordinary shares with a nominal value of 0.1p were placed at 5p per share raising gross funds of £1,728,770 before expenses.

On 13th December 2011 a further 376,175 ordinary shares of 0.1p were issued at a price of 6.38p

All shares rank pari passu with voting rights and entitlement to dividend.

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

16 MOVEMENT ON SHARE CAPITAL AND RESERVES

GROUP

	Share capital £	Share Premium Account £	Share Option Reserve £	Retained earnings £	Total Equity £
At 1 st May 2010	158,733	8,321,808	-	(2,432,664)	6,047,877
Change in accounting policy adjustment	-	-	90,197	(90,197)	-
Restated balances	158,733	8,321,808	90,197	(2,522,861)	6,047,877
(Loss) for the year				(1,649,225)	(1,649,225)
Share issue	785	47,215			48,000
Share option costs			189,090	-	189,090
At 30 th April 2011 (restated)	<u>159,518</u>	<u>8,369,023</u>	<u>279,287</u>	<u>(4,172,086)</u>	<u>4,635,742</u>
At 1 st May 2011 (restated)	159,518	8,369,023	279,287	(4,172,086)	4,635,742
Profit for the year				557,058	557,058
Share issue	34,952	1,535,710			1,570,662
Share option costs			207,875		207,875
At 30 th April 2012	<u>194,470</u>	<u>9,904,733</u>	<u>487,162</u>	<u>(3,615,028)</u>	<u>6,971,337</u>

COMPANY

At 1 st May 2010	158,733	8,321,808		(301,823)	8,178,718
Change in accounting policy adjustment	-	-	90,197	-	90,197
Restated balances	158,733	8,321,808	90,197	(301,823)	8,268,915
(Loss) for the year				(293,918)	(293,918)
Share issue	785	47,215			48,000
Share option costs			189,090		189,090
At 30 th April 2011	<u>159,518</u>	<u>8,369,023</u>	<u>279,287</u>	<u>(595,741)</u>	<u>8,212,087</u>
(Loss) for the year				(146,124)	(146,124)
Share issue	34,952	1,535,710			1,570,662
Share option costs			207,875		207,875
At 30 th April 2012	<u>194,470</u>	<u>9,904,733</u>	<u>487,162</u>	<u>(741,865)</u>	<u>9,844,500</u>

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 April 2012

17 SHARE OPTIONS

The Group has granted options to members of staff

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable	
				From	To
EMI	02.12.08	5.0p	290,000	02.12.11	02.12.18
	02.12.08	31.3p	120,000	02.12.11	02.12.18
	02.01.09	6.0p	145,000	02.01.12	01.01.19
	13.07.10	4.5p	6,730,000	02.12.11	31.12.15

The market price of the shares at 30th April 2012 was 13.12p and the range during the year was 7.25p to 13.12p. Options may normally be exercised in whole or in part within the period of three to ten years after the date of the grant.

Further unapproved shares were issued as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable	
				From	To
Unapproved	02.04.09	2.5p	58,640	02.04.12	02.04.19
	01.12.08	6.0p	3,040,000	02.12.11	02.12.18
	29.06.10	4.5p	1,592,310	29.06.10	29.06.15
	29.06.10	4.5p	3,184,620	30.09.11	30.09.16
	29.06.10	4.5p	3,184,630	28.02.13	28.02.18
	02.12.08	9.4p	29,320	02.04.12	02.04.19

At 30 April 2012 the following options are held by directors of the company:

	Options <u>01.05.11</u>	Sub- division	Options <u>30.04.12</u>	Exercise price	Date first exercisable	Expiry date
<u>EMI Scheme</u>						
L Durrant	385,000	3,465,000	3,850,000	4.5p	02.12.11	31.12.15
R Goodfellow	288,000	2,592,000	2,880,000	4.5p	02.12.11	31.12.15
<u>Unapproved</u>						
D Evans	304,000	2,736,000	3,040,000	6.0p	02.12.11	02.12.18

The weighted average exercise prices over the year were as follows

	Number	Weighted Average Exercise Price
<u>Enterprise Management Scheme</u>		
Number of options outstanding at 1 May 2011	728,500	50p
Sub-division of shares	<u>6,556,500</u>	
Revised number of options outstanding at 1 May 2011	7,285,000	5.0p
Granted in the year	-	
Number of options outstanding at 30 April 2012	<u>7,285,000</u>	5.0p
Exercisable at 30 th April 2012	<u>7,285,000</u>	<u>5.0p</u>
<u>Unapproved Scheme</u>		
Number of options outstanding at 1 May 2011	1,108,952	49p
Sub-division of shares	<u>9,980,568</u>	
Revised number of options outstanding at 1 May 2011	11,089,520	4.9p
Granted in the year	-	
Number of options outstanding at 30 April 2012	<u>11,089,520</u>	<u>4.9p</u>
Exercisable at 30 th April 2012	<u>7,904,890</u>	<u>5.1p</u>

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

SHARE OPTIONS (continued)

Within the unapproved options are those granted to ICHOR Medical Systems Inc (“ICHOR”) pursuant to the License and Supply Agreement (“the Agreement”) dated 13 July 2009. Under the terms of the Agreement, ICHOR agreed to supply its TriGrid™ electroporation device for Scancell’s pre-clinical and forthcoming clinical studies with SCIB1 and gave Scancell an option to license TriGrid™ for commercial use on achievement of certain milestones and payment of royalties. In return, ICHOR was granted options to subscribe for ordinary shares in the Company. The options have been granted at 4.5p per share and vest as follows.

1,592,310	on regulatory approval being granted to start clinical trials in the UK
3,184,620	on commencement of first Phase II clinical trial
3,184,630	on completion of first Phase II clinical trial

Each tranche of the options may be exercised at any time in the five year period after the relevant vesting date.

18 SHARE BASED PAYMENTS

The Group operates a number of share based incentive schemes as detailed in note 16 above. The fair value of the award granted and the assumptions used in the calculations are as follows:

Date of Grant	Type of Award	Number of Awards	Exercise Price	Share price at grant date	Fair value per option
2 December 2008	EMI	290,000	5.0p	5.8p	3.3p
2 December 2008	EMI	120,000	31.3p	5.8p	0.2p
2 December 2008	Unapproved	3,040,000	6.0p	5.8p	3.3p
2 January 2009	EMI	145,000	6.0p	5.8p	3.3p
2 April 2009	Unapproved	58,640	2.5p	4.0p	2.7p
2 April 2009	Unapproved	29,320	9.4p	4.0p	1.5p
29 June 2010	Unapproved	7,961,560	4.5p	6.0p	2.2p
14 July 2010	EMI	6,730,000	4.5p	6.25	2.1p

A description of the key assumptions used in calculating the share-based payments follows.

1. The Black-Scholes valuation methodology was used.
2. The expected volatility is based upon historical volatility over a period of time and amounted to 10.2%
3. The expected life used in the model varies between two and five years and is based upon management’s best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.
4. The risk free rate is based upon the prevailing UK bank base rate at grant date.
5. Expected dividend yield is nil.

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

19 RELATED PARTY TRANSACTIONS

During the year, the following directors provided consultancy services to the Group as follows:

	Consultancy Services	Executive Incentivisation Plan	2012 Total	2011 Total
Professor L Durrant	£65,000	£138,915	£203,915	£60,160
Dr R.M Goodfellow	£65,000	£138,915	£203,915	£55,654
Mr D Evans	£15,000	-	£ 15,000	£15,000
Ms K Cornish-Bowden	£10,000	-	£ 10,000	£ nil
Mr N J Evans	£ 2,000	£ 8,000	£ 10,000	£ 7,161
Dr MWJ Frohn	£6,000		£6,000	£nil
Mr T.M Rippon	£4,950		£4,950	£ 7,012

At the end of the year the following balances were outstanding:

	2012	2011
Professor L Durrant	£9,018	£12,036
Mr D Evans	£7,250	£7,500
Ms K. Cornish-Bowden	£2,500	£nil
Dr R.M Goodfellow	£9,417	£6,563
Dr M.W.J. Frohn	£6,000	£nil
Mr T.M. Rippon	£4,950	£ nil

All of the above transactions were conducted under normal commercial terms.

Professor L Durrant, Mr NJ Evans and Dr R M Goodfellow provided their consultancy through limited companies.

In addition to the above Scancell Holdings plc has a current account with its subsidiary company, Scancell Limited. At the year end the balance owing to Scancell Holdings plc amounted to £4,804,748 (2011: £3,388,223).

20 RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH GENERATED FROM OPERATIONS

	2012 £	2011 £
Profit/(Loss) before taxation	557,058	(1,724,136)
Adjustments for:		
Share option costs	207,875	189,090
Depreciation of computers, plant and equipment	35,978	33,250
Finance income	(31,407)	(9,613)
Operating cash flows before movement in working capital	769,504	(1,511,409)
(Increase)/decrease in accounts receivable	(72,480)	(812)
(Decrease)/Increase in accounts payable	162,596	(330,000)
Net cash outflow from operating activities	<u>859,620</u>	<u>(1,842,221)</u>

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

21 FINANCIAL INSTRUMENTS

The numeric disclosures in this note deal with financial assets and liabilities as defined in IFRS7 "Derivatives and other financial instruments".

As permitted by IFRS 7, short-term debtors and creditors have been excluded from the disclosures. Certain financial assets such as investments in subsidiary companies are also excluded from the scope of these disclosures.

Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of borrowings and financial assets with a range of maturities.

Interest rate profile

The company has no financial assets other than sterling current account balances of £3,529,007 (2011: £1,110,630) which are instantly available funds attracting variable rates of interest.

Maturity of financial liabilities

All of the Company's financial liabilities as at 30 April 2012 are payable within less than one year.

Fair values

There is no material difference between the book value and the fair value of the Group's financial assets or liabilities.

Market price

Group funds are held in accounts with the objective of maintaining a balance between accessibility of funds and competitive rates of return.

Currency exposure

Historically the Company has not used derivative instruments to hedge against possible risks arising from fluctuations in foreign currency exchange rates as the exposure is limited. If foreign currency exposure increases, the use of foreign currency hedging instruments will be reviewed as a means of reducing the effect of exchange rate fluctuations on the Group's results.

The Group's financial instruments comprise cash and cash equivalents, borrowings and items such as trade payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Financial instruments

Group

	2012	2011
	£	£
<u>Financial assets</u>		
Cash and cash equivalents	3,529,007	1,110,630
Trade and other receivables	<u>205,326</u>	<u>132,846</u>
<u>Financial liabilities</u>		
Trade and other payables	<u>(284,383)</u>	<u>(121,787)</u>

Company

<u>Financial assets</u>		
Cash and cash equivalents	13,939	7,613
Trade and other receivables	<u>27,169</u>	<u>16,507</u>
<u>Financial liabilities</u>		
Trade and other payables	<u>50,347</u>	<u>41,371</u>

The carrying amounts are equal to the fair value therefore no impairment is required.

Scancell Holdings plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2012

21 OPERATING LEASE COMMITMENTS

The following operating lease are committed to be paid within one year.

	Land and buildings	
	2012	2011
	£	£
Within one year	11,000	-
Within one and five years	18,333	-

Scancell Holdings plc
 COMPANY STATEMENT OF COMPREHENSIVE INCOME
 for the year ended 30 April 2012

	2012 £	2011 £ (restated)
Loss for the year	<u>(146,124)</u>	<u>(293,918)</u>

Scancell Holdings plc
 COMPANY STATEMENT OF CHANGES IN EQUITY
 for the year ended 30 April 2012

	Share capital £	Share Premium Account £	Share Option Reserve £	Retained earnings £	Total Equity £
At 1 st May 2010	158,733	8,321,808		(301,823)	8,178,718
Change in accounting policy adjustment	-	-	<u>90,197</u>	-	<u>90,197</u>
Restated balances	158,733	8,321,808	90,197	(301,823)	8,268,915
(Loss) for the year				(293,918)	(293,918)
Share issue	785	47,215			48,000
Share option costs			189,090		189,090
At 30 th April 2011	<u>159,518</u>	<u>8,369,023</u>	<u>279,287</u>	<u>(595,741)</u>	<u>8,212,087</u>
(Loss) for the year				(146,124)	(146,124)
Share issue	34,952	1,535,710			1,570,662
Share option costs			207,875		207,875
At 30 th April 2012	<u><u>194,470</u></u>	<u><u>9,904,733</u></u>	<u><u>487,162</u></u>	<u><u>(741,865)</u></u>	<u><u>9,844,500</u></u>

Scancell Holdings plc

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2012

	<i>Notes</i>	2012 £	2011 £
ASSETS			
<u>Non-current assets</u>			
Investments	12	5,048,991	4,841,116
		<u>5,048,991</u>	<u>4,841,116</u>
<u>Current assets</u>			
Trade and other receivables	A	4,831,917	3,404,729
Cash and cash equivalents	B	13,939	7,613
		<u>4,845,856</u>	<u>3,412,342</u>
TOTAL ASSETS		<u>9,894,847</u>	<u>8,253,458</u>
LIABILITIES			
<u>Current Liabilities</u>			
Trade and other payables	C	(50,347)	(41,371)
TOTAL LIABILITIES		<u>(50,347)</u>	<u>(41,371)</u>
NET ASSETS		<u>9,844,500</u>	<u>8,212,087</u>
SHAREHOLDERS' EQUITY			
Called up share capital	15	194,470	159,518
Share premium	16	9,904,733	8,369,023
Share option reserve	16	487,162	279,287
Profit and loss account	16	(741,865)	(595,741)
TOTAL SHAREHOLDERS' EQUITY		<u>9,844,500</u>	<u>8,212,087</u>

These financial statements were approved by the directors and authorised for issue on 11th October, 2012 and are signed on their behalf by:



David Evans
Director

Scancell Holdings plc
COMPANY STATEMENT OF CASHFLOWS
for the year ended 30 April 2012

	2012 £	2011 £
Operating activities		
Cash generated from operations (note D)	(1,564,336)	(217,999)
Income taxes received	<u>-</u>	<u>-</u>
Net cash from operating activities	<u>(1,564,336)</u>	<u>(217,999)</u>
Financing activities		
Proceeds from issue of share capital	1,752,771	48,000
Expenses of share issue	<u>(182,109)</u>	<u>-</u>
Net cash generated from financing activities	<u>1,570,662</u>	<u>48,000</u>
Net increase in cash and cash equivalents	6,326	(169,999)
Cash and cash equivalents at beginning of the year	7,613	177,612
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	<u>13,939</u>	<u>7,613</u>

Scancell Holdings plc

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 30 April 2012

A TRADE AND OTHER RECEIVABLES

<u>Company</u>	2012	2011
	£	£
Corporation Tax		
VAT	12,302	462
Prepayments	14,867	16,044
	<u>27,169</u>	<u>16,506</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	-
	<u>4,804,748</u>	<u>3,388,223</u>
Aggregate amounts	<u>4,831,917</u>	<u>3,404,729</u>

B CASH AND CASH EQUIVALENTS

<u>Company</u>		
Cash at bank and in hand	<u>13,939</u>	<u>7,613</u>

C TRADE AND OTHER PAYABLES

	2012	2011
	£	£
Trade creditors	22,874	14,010
Other creditors	27,473	27,361
	<u>50,347</u>	<u>41,371</u>

D RECONCILIATION OF LOSS TO NET CASH GENERATED FROM OPERATIONS

	2012	2011
	£	£
Loss for the year	(146,124)	(293,918)
Increase in accounts receivable	(1,427,188)	166,053
Increase in accounts payable	<u>8,976</u>	<u>(90,134)</u>
Cash generated from operations	<u>(1,564,336)</u>	<u>(217,999)</u>